



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Cedar County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Cedar County, Missouri, for the two years ended December 31, 2001. A copy of this audit, which was performed by Charles Buchanan, P.C., Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Claire C. McCaskill".

Claire C. McCaskill
State Auditor

Report No. 2002-67
August 30, 2002

Cedar County, Missouri
Audit Report
Two Years Ended December 31, 2001

Prepared by:
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CEDAR COUNTY, MISSOURI

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Cedar County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Cedar County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Cedar County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Cedar County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Cedar County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 19, 2002, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the special-purpose financial statements taken as a whole.

Original Signed by Auditor

Charles Buchanan, CPA, PC
April 19, 2002

Revised July 26, 2002

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the County Commission
and
Officeholders of Cedar County, Missouri

We have audited the special-purpose financial statements of various funds of Cedar County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 19, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special purpose financial statements of various funds of Cedar County, Missouri are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Cedar County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Cedar County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

Charles Buchanan, CPA, PC
April 19, 2002

Financial Statements

A-1

CEDAR COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Fund	Cash, 1/1/01	Receipts	Disbursements	Cash, 12/31/01
General Revenue	\$392,036	\$1,036,939	\$1,309,665	\$119,310
Special Road and Bridge	177,608	610,724	616,813	171,519
Assessment	9,005	95,397	97,722	6,680
Law Enforcement Training	1,374	3,676	3,115	1,935
Prosecuting Attorney Training	470	496	235	731
Prosecuting Attorney Bad Check	13,801	13,854	11,081	16,574
Recorder Preservation	5,653	11,326	8,786	8,193
Family Crisis	40	800	0	840
Crime Victim's Advocate	2,459	26,195	23,972	4,682
Circuit Clerk Interest	7,415	3,788	51	11,152
Associate Circuit Division Interest	2,396	105	2,501	0
Law Library	7,322	5,435	4,115	8,642
Local Law Enforcement Block Grant	421	0	421	0
D.A.R.E.	6	100	0	106
Microfilm Grant	1,822	6,560	5,043	3,339
Community Development Block Grant	1,001	246,500	247,500	1
Election Services	1,727	2,435	0	4,162
Law Enforcement Sales Tax	0	34,929	2,620	32,309
Total	\$624,556	\$2,099,259	\$2,333,640	\$390,175

The accompanying Notes to the Financial Statements are an integral part of this statement.

CEDAR COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

Fund	Cash, 1/1/00	Receipts	Disbursements	Cash, 12/31/00
General Revenue	\$346,650	\$981,724	\$936,338	\$392,036
Special Road and Bridge	175,623	757,934	755,949	177,608
Assessment	9,796	90,775	91,566	9,005
Law Enforcement Training	2,011	1,855	2,492	1,374
Prosecuting Attorney Training	514	467	511	470
Prosecuting Attorney Bad Check	9,415	12,446	8,060	13,801
Recorder Preservation	7,556	6,858	8,761	5,653
Family Crisis	214	1,052	1,226	40
Crime Victim's Advocate	2,580	21,696	21,817	2,459
Circuit Clerk Interest	4,943	2,472	0	7,415
Associate Circuit Division Interest	1,508	888	0	2,396
Law Library	5,426	5,562	3,666	7,322
Local Law Enforcement Block Grant	421	0	0	421
D.A.R.E.	599	0	593	6
Microfilm Grant	2,485	7,387	8,050	1,822
Community Development Block Grant	0	1,001	0	1,001
Election Services	0	1,727	0	1,727
Law Enforcement Sales Tax	0	0	0	0
Total	\$569,741	\$1,893,844	\$1,839,029	\$624,556

EXHIBIT B

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TOTALS - VARIOUS FUNDS</u>						
RECEIPTS	\$2,274,958	\$2,099,259	(\$175,699)	\$2,066,231	\$1,893,844	(\$172,387)
DISBURSEMENTS	2,702,096	2,333,640	368,456	2,256,871	1,839,029	417,842
RECEIPTS OVER (UNDER) DISBURSEMENTS	(427,138)	(234,381)	192,757	(190,640)	54,815	245,455
CASH, JANUARY 1	624,556	624,556	0	569,741	569,741	0
CASH, DECEMBER 31	197,418	390,175	192,757	379,101	624,556	245,455
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	103,573	103,543	(30)	122,200	130,760	8,560
Sales taxes	425,000	424,923	(77)	390,000	425,521	35,521
Intergovernmental	205,058	220,095	15,037	163,148	145,585	(17,563)
Charges for services	230,350	229,848	(502)	188,650	198,892	10,242
Interest	18,561	19,284	723	24,000	25,042	1,042
Other	32,508	36,933	4,425	51,050	55,924	4,874
Transfers in	0	2,313	2,313	0	0	0
Total Receipts	1,015,050	1,036,939	21,889	939,048	981,724	42,676
DISBURSEMENTS						
County Commission	60,714	60,792	(78)	51,354	51,269	85
County Clerk	63,849	61,209	2,640	64,184	61,234	2,950
Elections	19,670	19,629	41	70,200	68,581	1,619
Buildings and grounds	390,200	366,545	23,655	188,000	77,100	110,900
Employee fringe benefits	73,500	73,721	(221)	69,200	72,370	(3,170)
County Treasurer	22,008	22,020	(12)	20,849	20,856	(7)
County Collector	55,853	52,217	3,636	50,988	51,213	(225)
Ex Officio Recorder of Deeds	28,860	27,873	987	27,050	27,171	(121)
Circuit and Associate Courts	34,155	32,377	1,778	26,440	24,278	2,162
Court Administration	8,200	8,032	168	6,635	6,317	318
Public Administrator	39,129	38,716	413	8,629	8,687	(58)
Sheriff	265,639	267,702	(2,063)	225,945	208,831	17,114
Jail	38,000	39,919	(1,919)	27,000	26,489	511
Prosecuting Attorney	61,345	61,533	(188)	54,641	54,737	(96)
Juvenile Officer	30,000	23,768	6,232	27,000	25,577	1,423
County Coroner	13,050	11,153	1,897	11,904	12,490	(586)
Insurance and bonds	41,000	27,718	13,282	30,000	24,282	5,718
University Extension Service	28,000	28,000	0	27,770	27,770	0
County road signs	831	310	521	13,000	12,519	481
Other	72,490	82,630	(10,140)	62,689	67,615	(4,926)
Health and Welfare	3,073	3,073	0	3,073	3,072	1
Transfers out	0	728	(728)	2,110	3,880	(1,770)
Emergency Fund	30,451	0	30,451	28,171	0	28,171
Total Disbursements	1,380,017	1,309,665	70,352	1,096,832	936,338	160,494
RECEIPTS OVER (UNDER) DISBURSEMENTS	(364,967)	(272,726)	92,241	(157,784)	45,386	203,170
CASH, JANUARY 1	392,036	392,036	0	346,650	346,650	0
CASH, DECEMBER 31	\$27,069	\$119,310	\$92,241	\$188,866	\$392,036	\$203,170

EXHIBIT B

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$116,000	\$116,041	\$41	\$99,727	\$101,717	\$1,990
Intergovernmental	689,600	469,348	(220,252)	791,515	564,407	(227,108)
Charges for services	2,000	753	(1,247)	0	0	0
Interest	3,000	8,649	5,649	5,000	5,936	936
Other	9,900	15,933	6,033	87,600	85,480	(2,120)
Transfers in	0	0	0	100	394	294
Total Receipts	820,500	610,724	(209,776)	983,942	757,934	(226,008)
DISBURSEMENTS						
Salaries	210,000	197,437	12,563	227,880	198,079	29,801
Employee fringe benefits	45,120	42,956	2,164	35,000	33,377	1,623
Supplies	46,000	43,478	2,522	52,000	51,027	973
Insurance	8,000	9,032	(1,032)	6,000	6,766	(766)
Road and bridge materials	96,400	94,285	2,115	135,400	125,448	9,952
Equipment repairs	36,000	25,599	10,401	44,000	43,313	687
Equipment purchases	197,621	197,721	(100)	147,703	139,760	7,943
Construction, repair, and maintenance	250,000	4,410	245,590	266,000	76,323	189,677
Other	3,000	1,895	1,105	81,410	81,856	(446)
Total Disbursements	892,141	616,813	275,328	995,393	755,949	239,444
RECEIPTS OVER (UNDER) DISBURSEMENTS	(71,641)	(6,089)	65,552	(11,451)	1,985	13,436
CASH, JANUARY 1	177,608	177,608	0	175,623	175,623	0
CASH, DECEMBER 31	105,967	171,519	65,552	164,172	177,608	13,436
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	93,974	94,322	348	86,172	87,234	1,062
Interest	0	1,055	1,055	1,266	1,431	165
Other	0	20	20	0	0	0
Transfers in	0	0	0	2,110	2,110	0
Total Receipts	93,974	95,397	1,423	89,548	90,775	1,227
DISBURSEMENTS						
Assessor	102,948	97,722	5,226	99,344	91,566	7,778
Total Disbursements	102,948	97,722	5,226	99,344	91,566	7,778
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,974)	(2,325)	6,649	(9,796)	(791)	9,005
CASH, JANUARY 1	9,005	9,005	0	9,796	9,796	0
CASH, DECEMBER 31	31	6,680	6,649	0	9,005	9,005
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	0	906	906	0	0	0
Charges for services	3,000	2,770	(230)	3,000	1,855	(1,145)
Total Receipts	3,000	3,676	676	3,000	1,855	(1,145)
DISBURSEMENTS						
Sheriff	4,000	3,115	885	3,000	2,492	508
Total Disbursements	4,000	3,115	885	3,000	2,492	508
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000)	561	1,561	0	(637)	(637)
CASH, JANUARY 1	1,374	1,374	0	2,011	2,011	0
CASH, DECEMBER 31	\$374	\$1,935	\$1,561	\$2,011	\$1,374	(\$637)

EXHIBIT B

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Other	\$500	\$496	(\$4)	\$500	\$467	(\$33)
Total Receipts	500	496	(4)	500	467	(33)
DISBURSEMENTS						
Training/Mileage	500	235	265	1,014	511	503
Total Disbursements	500	235	265	1,014	511	503
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	261	261	(514)	(44)	470
CASH, JANUARY 1	470	470	0	514	514	0
CASH, DECEMBER 31	470	731	261	0	470	470
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	10,000	13,854	3,854	9,000	12,446	3,446
Total Receipts	10,000	13,854	3,854	9,000	12,446	3,446
DISBURSEMENTS						
Prosecuting Attorney	23,300	11,081	12,219	18,415	8,060	10,355
Total Disbursements	23,300	11,081	12,219	18,415	8,060	10,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,300)	2,773	16,073	(9,415)	4,386	13,801
CASH, JANUARY 1	13,801	13,801	0	9,415	9,415	0
CASH, DECEMBER 31	501	16,574	16,073	0	13,801	13,801
<u>RECORDER PRESERVATION FUND</u>						
RECEIPTS						
Other	6,800	11,326	4,526	6,600	6,858	258
Total Receipts	6,800	11,326	4,526	6,600	6,858	258
DISBURSEMENTS						
Ex Officio Recorder of Deeds	6,200	8,786	(2,586)	10,054	8,761	1,293
Total Disbursements	6,200	8,786	(2,586)	10,054	8,761	1,293
RECEIPTS OVER (UNDER) DISBURSEMENTS	600	2,540	1,940	(3,454)	(1,903)	1,551
CASH, JANUARY 1	5,653	5,653	0	7,556	7,556	0
CASH, DECEMBER 31	6,253	8,193	1,940	4,102	5,653	1,551
<u>FAMILY CRISIS FUND</u>						
RECEIPTS						
Charges for services	1,000	800	(200)	1,450	1,052	(398)
Total Receipts	1,000	800	(200)	1,450	1,052	(398)
DISBURSEMENTS						
Domestic violence shelter	1,000	0	1,000	1,600	1,226	374
Total Disbursements	1,000	0	1,000	1,600	1,226	374
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	800	800	(150)	(174)	(24)
CASH, JANUARY 1	40	40	0	214	214	0
CASH, DECEMBER 31	\$40	\$840	\$800	\$64	\$40	(\$24)

EXHIBIT B

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CRIME VICTIM'S ADVOCATE FUND</u>						
RECEIPTS						
Intergovernmental	\$22,575	\$26,195	\$3,620	\$23,050	\$21,696	(\$1,354)
Total Receipts	22,575	26,195	3,620	23,050	21,696	(1,354)
DISBURSEMENTS						
Crime victims advocate	24,975	23,972	1,003	23,050	21,817	1,233
Total Disbursements	24,975	23,972	1,003	23,050	21,817	1,233
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,400)	2,223	4,623	0	(121)	(121)
CASH, JANUARY 1	2,459	2,459	0	2,580	2,580	0
CASH, DECEMBER 31	59	4,682	4,623	2,580	2,459	(121)
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	2,500	1,287	(1,213)	800	2,472	1,672
Transfers in	0	2,501	2,501	0	0	0
Total Receipts	2,500	3,788	1,288	800	2,472	1,672
DISBURSEMENTS						
Circuit Clerk	0	51	(51)	350	0	350
Total Disbursements	0	51	(51)	350	0	350
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,500	3,737	1,237	450	2,472	2,022
CASH, JANUARY 1	7,415	7,415	0	4,943	4,943	0
CASH, DECEMBER 31	9,915	11,152	1,237	5,393	7,415	2,022
<u>ASSOCIATE CIRCUIT DIVISION INTEREST</u>						
RECEIPTS						
Interest	0	54	54	\$500	\$888	\$388
Charges for services	0	51	51	0	0	0
Total Receipts	0	105	105	500	888	388
DISBURSEMENTS						
Associate Circuit Division	0	0	0	370	0	370
Transfers out	0	2,501	(2,501)	0	0	0
Total Disbursements	0	2,501	(2,501)	370	0	370
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(2,396)	(2,396)	130	888	758
CASH, JANUARY 1	2,396	2,396	0	1,508	1,508	0
CASH, DECEMBER 31	2,396	0	(2,396)	1,638	2,396	758
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Other	5,600	5,435	(165)	5,000	5,562	562
Total Receipts	5,600	5,435	(165)	5,000	5,562	562
DISBURSEMENTS						
Publications	4,000	4,115	(115)	3,300	3,666	(366)
Total Disbursements	4,000	4,115	(115)	3,300	3,666	(366)
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,600	1,320	(280)	1,700	1,896	196
CASH, JANUARY 1	7,322	7,322	0	5,426	5,426	0
CASH, DECEMBER 31	\$8,922	\$8,642	(\$280)	\$7,126	\$7,322	\$196

EXHIBIT B

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LOCAL LAW ENFORCEMENT BLOCK GRANT</u>						
RECEIPTS						
Interest	\$0	\$0	\$0	\$0	\$0	\$0
Other	0	0	0	0	0	0
Total Receipts	0	0	0	0	0	0
DISBURSEMENTS						
Transfers out	0	421	(421)	0	0	0
Total Disbursements	0	421	(421)	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(421)	(421)	0	0	0
CASH, JANUARY 1	421	421	0	421	421	0
CASH, DECEMBER 31	421	0	(421)	421	421	0
<u>D.A.R.E. FUND</u>						
RECEIPTS						
Other	0	100	100	0	0	0
Total Receipts	0	100	100	0	0	0
DISBURSEMENTS						
Supplies	6	0	6	599	593	6
Total Disbursements	6	0	6	599	593	6
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6)	100	106	(599)	(593)	6
CASH, JANUARY 1	6	6	0	599	599	0
CASH, DECEMBER 31	0	106	106	0	6	6
<u>MICROFILM GRANT FUND</u>						
RECEIPTS						
Grants	8,759	6,560	(2,199)	1,065	7,387	6,322
Total Receipts	8,759	6,560	(2,199)	1,065	7,387	6,322
DISBURSEMENTS						
Microfilm expenditures	10,581	5,043	5,538	3,550	8,050	(4,500)
Total Disbursements	10,581	5,043	5,538	3,550	8,050	(4,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,822)	1,517	3,339	(2,485)	(663)	1,822
CASH, JANUARY 1	1,822	1,822	0	2,485	2,485	0
CASH, DECEMBER 31	0	3,339	3,339	0	1,822	1,822
<u>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</u>						
RECEIPTS						
Intergovernmental	249,000	246,500	(2,500)	1,001	1,001	0
Total Receipts	249,000	246,500	(2,500)	1,001	1,001	0
DISBURSEMENTS						
Courthouse renovation	250,001	247,500	2,501	0	0	0
Total Disbursements	250,001	247,500	2,501	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,001)	(1,000)	1	1,001	1,001	0
CASH, JANUARY 1	1,001	1,001	0	0	0	0
CASH, DECEMBER 31	\$0	\$1	\$1	\$1,001	\$1,001	\$0

EXHIBIT B

CEDAR COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Charges for services	\$700	\$0	(\$700)	\$1,727	\$351	(\$1,376)
Intergovernmental	0	1,707	1,707	0	0	0
Transfers in	0	728	728	0	1,376	1,376
Total Receipts	700	2,435	1,735	1,727	1,727	0
DISBURSEMENTS						
Election supplies	2,427	0	2,427	0	0	0
Total Disbursements	2,427	0	2,427	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,727)	2,435	4,162	1,727	1,727	0
CASH, JANUARY 1	1,727	1,727	0	0	0	0
CASH, DECEMBER 31	0	4,162	4,162	1,727	1,727	0
<u>LAW ENFORCEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	35,000	34,929	(71)	0	0	0
Total Receipts	35,000	34,929	(71)	0	0	0
DISBURSEMENTS						
Transfers out	0	2,620	(2,620)	0	0	0
Total Disbursements	0	2,620	(2,620)	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	35,000	32,309	(2,691)	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	\$35,000	\$32,309	(\$2,691)	\$0	\$0	\$0

Notes to the Financial Statements

CEDAR COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Cedar County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, or an elected county official. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Section 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the Associate Circuit Division Interest and Local Law Enforcement Block Grant funds for the year ended December 31, 2001.

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Funds</u>	<u>Year(s) Ended December 31,</u>
Recorder Preservation	2001
Circuit Clerk Interest	2001
Law Library	2001 and 2000
Microfilm Grant	2000
Law Enforcement Sales Tax	2001

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

The county's published financial statements for the years ended December 31, 2001 and 2000, included all funds presented in the accompanying financial statements.

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No 3 of the Government Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 2001 and 2000 were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

Supplementary Schedule

Schedule

CEDAR COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
			2001	2000
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development -			
	Community Development Block Grants/State's Program	2001 99-PF-37	\$ 247,500	\$
	U.S. DEPARTMENT OF JUSTICE			
	Passed through:			
	State Department of Public Safety -			
	Crime Victim Assistance	2000-VOCA-0014	26,194	21,696
	Local Law Enforcement Block Grants Program	N/A	33,759	0
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Highway and Transportation Commission:			
20.205	Highway Planning and Construction	BRO-020-007	2,569	
	FEDERAL EMERGENCY MANAGEMENT AGENCY			
	Passed through state Department of Public Safety:			
83.544	Public Assistance Grants	N/A	0	55,990
	Total Expenditures of Federal Awards		<u>\$ 310,022</u>	<u>\$ 77,686</u>

N/A - Not applicable

Notes to the Supplementary Schedule

CEDAR COUNTY, MISSOURI

NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Cedar County, Missouri, except for the programs accounted for in the Cedar County Memorial Hospital Fund. Federal awards for that fund have been audited and separately reported on by other independent auditors for its years ended March 31, 2001 and 2000.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food, commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because Cedar County expended no noncash awards for the years ended December 31, 2001 and 2000, the schedule includes expenditures of cash awards only.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2001 and 2000.

Federal Awards-
Single Audit Section

Independent Auditor's Report

**Charles Buchanan, CPA, PC
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The County Commission
and
Officeholders of Cedar County, Missouri

Compliance

We have audited the compliance of Cedar County, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2001 and 2000. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Cedar County, Missouri, complied in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2001 and 2000.

Internal Control Over Compliance

The management of Cedar County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the

risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Cedar County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

Charles Buchanan CPA, PC
April 19, 2002

Schedule

Cedar County, Missouri
Schedule of Findings and Questioned Costs
(Including Management's Plan For Corrective Action)
Two Years Ended December 31, 2001

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness identified? yes x no

Reportable condition identified that is not
considered to be a material weakness? yes x none reported

Noncompliance material to the financial statements
noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness identified? yes x no

Reportable condition identified that is not
considered to be a material weakness? yes x none reported

Type of auditor's report issued on compliance for
major program: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section.510(a) of OMB
Circular A-133? yes x no

Identification of major program:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
14.228	Community Development Block Grant/State's Program

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes x no

Section II-Financial Statement Findings

This section includes no audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III-Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

**CEDAR COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

The prior report issued for the two years ended December 31, 1999, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

CEDAR COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings Question Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresent the status of any prior findings.

The prior audit report issued for the two years ended December 31, 1999, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.